

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
Only

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N.C.A. Requests Appearance at Wage and Hour Hearings

The Association has requested an opportunity to present testimony at the hearings on the Ball bill, S. 2386, to amend and clarify the Fair Labor Standards Act which are scheduled to commence on April 19 before a subcommittee of the Senate Committee on Labor and Public Welfare.

Senator Ball's bill would raise the minimum statutory wage to 60 cents an hour. Industry Committees under the proposed amendment would be authorized to recommend an adjustment in the 60-cent minimum hourly rate to (See *Wage and Hour*, page 166)

Conferees Report Final Version of Marshall Plan Bill

Specific designation of canned foods and canned fishery products in the House-approved Marshall Plan aid bill, S. 2202, was removed from the language of the bill by the joint Senate-House Conference Committee which reported a final version of the European Recovery Program measure to both houses for their approval on Friday.

The language of the Senate bill, authorizing the Administrator to purchase "any commodity which he determines to be required" in furtherance of the ERP, was found to be adequate direction to purchase canned foods without unduly binding the Administrator. The House on March 30 had adopted two amendments naming canned foods in the bill. One amendment, offered by Representative Tollefson (Wash.), (See *Marshall Plan Aid Bill*, page 165)

Articles on Plant Sanitation and Mold Count Published

Illustrated articles by members of the Association's Washington and Western Branch Laboratories staffs have been published recently in food industry trade journals. The January and February issues of *Food Industries* published an article in two parts on "How to Establish A Plant Cleaning Program" by Ira L. Somers of the Western Branch Laboratory. Reprints are available from the Western Branch Laboratories, National Canners Association, 461 Market St., San Francisco 5, Calif. The *Canning Trade* of March 29 and *The Canner* of March 20 published an article by Howard R. Smith of the Washington Laboratories on "Mold Count on Tomato Products: Part I—Suggestions for Identification of Mold Filaments." Reprints may be obtained from the Research Laboratories, National Canners Association, Washington 6, D. C.

WARNING!

New Insecticides Hazardous

A series of new insecticides are on the market at the present time which are toxic not only to insects but to man and warm-blooded animals. Dr. A. J. Lehman, of the Division of Pharmacology, Food and Drug Administration, reported at the Chicago meetings of the Society of Economic Entomologists last December on the toxicology of a number of these new materials, including *benzene hexachloride*, *chlorinated camphene* and *parathion*.

We have learned how to use some of the older poisonous insecticides, such as the arsenicals and fluorides, in such a way as to avoid residue hazards. However, until we learn how to use the newer insecticides without running the risk of residue or off-flavor hazards, they should not be used on food products, at least until officials who are in charge of protecting the public can be assured that these products do not constitute a public health hazard.

Canners, therefore, should not accept vegetables or fruits which have been treated with these insecticides and should so inform their growers, through their field staffs. Fieldmen should emphasize with growers not only the hazards of these new insecticides but also the need for following insect control practices recommended by their own State entomologists.

All European Shipments Require Export License

With the exception of commodities already laden aboard an exporting carrier, all commercial shipments consigned to European destinations (Country Group R) will require a validated export license after 12:01 a. m., April 7, the Department of Commerce announced yesterday through its Office of International Trade.

The provisions of Current Export Bulletin No. 434 have been modified to exclude non-Positive List commodities bound for Europe from general license shipment.

CONGRESS

Pepper Marketing Orders Bill

The Pepper bill, S. 2173, which would authorize the issuance of marketing orders for citrus for canning, came up in its turn on the call of the Calendar in the Senate on March 29, but its consideration under the Senate's unanimous consent agreement was blocked by the objections of several Senators, and the bill was passed over. S. 2173 remains on the Senate Calendar, and will be subject to consideration when reached on succeeding calls of bills on the Calendar.

Long Range Agriculture Bill

Hearings on the Aiken bill, S. 2318, providing revised formulas of parity and price support, have been scheduled by the Senate Committee on Agriculture and Forestry beginning April 12. Hearings will be held by the full 13-man Committee.

D. C. Income and License Taxes

Sales of canned foods to District of Columbia buyers made through regularly established brokers would be exempted from the District of Columbia income and license taxes by companion bills, S. 2409-H. R. 6050, introduced on March 30 by Senator Cain (Wash.) and Representative Beall (Md.). S. 2409 was reported by the Senate Committee on the District of Columbia on March 31.

Under the Cain and Beall bills, only enterprises which maintain an office or place of business or have an agent or representative in the District would be subject to the tax and license requirements. "Independent brokers" would be specifically excluded from the term "agent or representative" for the purposes of this legislation. Thus, a canner who has no office or place of business in the District nor any agents or representatives in the District—other than an independent broker—would not be required to pay any tax or take out a license.

The Cain and Beall bills would amend the D. C. Revenue Act of 1947 as of January 1, 1948, but would have no effect prior to that date.

The bills are the result of several conferences between industry representatives and the D. C. Corporation Counsel's office, in which Association counsel participated. At the close of the hearing before the joint Senate-House fiscal subcommittee on this problem on March 19, Senator Cain

directed the interested parties to confer in an attempt to agree on a substitute for the Smith bill, H. R. 5317. The Cain and Beall bills are the product of these meetings.

Under regulations issued late last fall by District of Columbia tax authorities under the D. C. Revenue Act of 1947, canners who sell to District buyers through brokers or agents in the District are required to pay a tax of 5 percent on net income from District sales, and to obtain an annual license at a fee of ten dollars. The tax and license requirements apply irrespective of whether or not title passes outside the District, although the tax is reduced on sales where title passes outside the District.

Land and Water Conservation Program

A national policy and program for the conservation and orderly development of the nation's agricultural land and water resources, which would be supervised by a new agency to be known as the Agricultural Resources Agency in the Department of Agriculture, was proposed on March 30 by Representative Hope (Kans.) in H. R. 6054. The bill was referred to the House Committee on Agriculture of which Mr. Hope is chairman.

The bill would transfer to the proposed new Agricultural Resources Administration the Fish and Wildlife Service of the Department of the Interior. ARA would have as other constituent agencies an Agricultural Land Service and a Forest Service. In connection with the outright transfer of the Fish and Wildlife Service, Representative Hope explained that this agency formerly was in the Agriculture Department and was known as the Bureau of Biological Survey.

Other agencies to be included in ARA would be the Forest Service; Soil Conservation Service; the Bureau of Plant Industry, Soils, and Agricultural Engineering; certain functions of the Production and Marketing Administration of the Agriculture Department; and certain functions of the Bureau of Land Management and the Bureau of Reclamation of the Interior Department.

One of the technical provisions of the bill authorizes the Secretary of Agriculture to make a complete conservation inventory of the nation's agricultural lands as a guide for land use capability maps and for farming and conservation programs.

The bill specifically continues the county committees (usually known as AAA committees) and gives them an active part in the conservation program.

Although Mr. Hope is chairman of the House Committee on Agriculture and Forestry, he emphasized that the land policy bill is not a committee bill.

PERSONNEL

Campbell Purchases V-8 Line

Campbell Soup Company's purchase of the "V-8" food products business from Standard Brands, Inc., was announced March 29. The transaction is effective April 5, it was stated, and involves the transfer of the trademarks and manufacturing facilities used in the production of "V-8" vegetable juice, tomato catsup and other related food products.

The property transfer includes the plants of the Loudon Manufacturing Division of Standard Brands and a new Canadian plant in Chatham, Ont. Campbell Soup Co. said it will continue the manufacture of "V-8" products and expects to retain substantially all employees.

FitzGerald Returns to USDA

Appointment of Dr. D. A. FitzGerald as director of the Office of Foreign Agricultural Relations was announced March 31 by Secretary of Agriculture Clinton P. Anderson. Dr. FitzGerald returns to USDA after an absence of nearly two years during which time he has been secretary general of the International Emergency Food Council and its successor, the International Emergency Food Committee.

STATISTICS

Canned Baby Food Statistics

Details of the canned baby food supply, stock and shipment situation, as reported by the Association's Division of Statistics, are presented in the following table:

	Baby Food Supply, Stocks, and Shipments	
	1947*	1948
	Thousands of cases	
Canner stocks, Jan. 1.....	61,613	40,687
Pack, Jan. and Feb.....	14,177	17,826
Supply.....	75,790	67,513
Canner stocks, Mar. 1.....	63,438	44,394
Canner shipments, Feb.....	5,933	11,544
Canner shipments, Jan. and Feb.....	12,353	23,119

*February pack and March 1 stocks from U. S. Department of Commerce, Bureau of the Census.

FOREIGN TRADE

Canadian Canned Food Supply Reported in OIT Survey

The Office of International Trade, in the *Foreign Commerce Weekly* of March 27, has published the following survey of the canned fruit and vegetable supply in Canada:

"More canned fruit, jams, jellies, and marmalades, but fewer canned vegetables, will be available in 1948 from the 1947 pack, than were available in 1947 from the 1946 pack. The strawberry pack increased from 8,000 cases in 1946 to 93,000 in 1947. The 100,000-case crop of blueberries was nearly seven times the preceding 5-year average pack of 15,000 cases, and raspberries showed a small gain. Production of jams, jellies, and marmalades in 1947 showed an increase of 9 percent over 1946, and double the figure for 1939. However, there was a big drop in vegetables, compared with 1946, green and wax beans showing the only improvement, a gain of 5 percent; corn and peas each dropped 21 percent, and tomatoes were down by 17 percent. Despite the decrease in canned products there are still ample supplies of all types of canned fruits and vegetables to meet consumer demands in 1948."

Coal Exports Are Suspended

Exports of bituminous coal to all foreign destinations, except Canada, are suspended according to a recent announcement by the Commerce Department. This action was taken by the Office of International Trade because of the widespread work stoppages which have seriously reduced bituminous coal production. It is designed to protect the limited bituminous coal inventories held by U. S. consumers, the announcement said.

Canned Meat Products Added to Export License List

Additional canned meat products will be added on April 6 to the Office of International Trade's Positive List, requiring licenses for export to all destinations, according to OIT's Current Export Bulletin No. 445. These commodities are:

Liver cheese (including Lakewood liver cheese), liverwurst, beef tongue, beef tripe, oxtails, ox tongue, blood pudding, brains, deviled meats (except beef or pork), hot tamales, kidney stew, lamb tongue, lunch tongue (ex-

cept beef, ox, or pork), meat gravy, meat paste, meat spreads (except beef, pork, or chicken), pemmican, potted meat (except beef, pork, or chicken), sweetbreads, and vegetables cooked with meat, including lentils with frankfurters, and beans with frankfurters.

Canned meat products on the Positive List so far have been only beef, pork (including hams and bacon), sausage, bologna, frankfurters, tushonka, mutton, veal, lamb, Ration C, Ration RR, and meat and vegetable hash.

Venezuela Building Cannery

Venezuela's first fruit and vegetable canning plant, equipped with canning and juicing machinery from the United States, is being built, according to *Foreign Commerce Weekly*. It is planned to can tomatoes, tomato paste, tomato juice, pimientos, pineapples, and pineapple juice.

Forthcoming Meetings

- April 6-10—National Fisheries Institute, Meeting, Fairmont Hotel, San Francisco, Calif.
- April 9—Wisconsin Canners Association, Canners' Safety Institute, Schroeder Hotel, Milwaukee, Wis.
- April 15—Indiana Canners Association, Spring Meeting, Claypool Hotel, Indianapolis, Ind.
- April 26-30—American Management Association, Conference and Packaging Exposition, Auditorium, Cleveland, Ohio
- May 12—National Canners Association, Administrative Council Meeting, Shoreham Hotel, Washington, D. C.
- May 13-14—National Canners Association, Board of Directors Meeting, Shoreham Hotel, Washington, D. C.
- May 13-14—American Management Association, Production Conference, Palmer House, Chicago, Ill.
- May 20-21—Ozark Canners Association, Spring Meeting, Goldman Hotel, Fort Smith, Ark.
- June 2-4—Mayonnaise and Salad Dressing Manufacturers' Association, 5th Annual Convention, Hadson Hall, Atlantic City, N. J.
- June 6-10—Institute of Food Technologists, 8th Annual Conference, Benjamin Franklin Hotel, Philadelphia, Pa.
- June 20-26—National Association of Retail Grocers, Annual Convention, Atlantic City, N. J.
- August 8-12—Vegetable Growers of America, 40th Annual Convention, Lord Baltimore Hotel, Baltimore, Md.

September 20-22—American Meat Institute, Annual Convention, Waldorf-Astoria, New York, N. Y.

October 5-7—Industrial Packaging Engineers Association, 3rd Annual Industrial Packaging and Materials Handling Exhibition, Sherman Hotel, Chicago, Ill.

November 8-9—Wisconsin Canners Association, Annual Convention, Schroeder Hotel, Milwaukee, Wis.

November 15-16—Illinois Canners Association, Fall Meeting, Chicago, Ill.

November 22-23—Iowa-Nebraska Canners Association, Annual Convention, Hotel Savary, Des Moines, Iowa

MARSHALL PLAN AID BILL

(Concluded from page 163)

named "any domestically produced fishery product," and another, submitted by Representative Larcade (La.), named "canned foods." With these amendments in the bill, the House passed S. 2202 on March 31. However, the Conference Committee on the night of April 1 reported a bill not containing either of these provisions.

While the Senate version of the bill merely authorized the purchase of "any commodity," the Tollefson and Larcade amendments were designed to encourage the purchase of surplus canned foods. These amendments would have named canned foods and canned fishery products that might have been determined by the Secretary of Agriculture to be in excess of domestic requirements as surplus agricultural commodities which the Administrator might purchase so as to protect the domestic economy.

Representative Miller (Md.) cited N.C.A. statistics for March showing stocks of "over 7,000,000 cases of tomatoes, nearly 11,000,000 cases of tomato juice, and over 13,000,000 cases of green peas." N.C.A. statistics also show stocks of almost 5,000,000 cases of corn and almost 3,000,000 cases of green and wax beans.

Also retained by the conferees were:

Provisions authorizing the use of "Section 32 funds" to pay half of the purchase price of surplus agricultural commodities held by the Commodity Credit Corporation;

Provisions for a joint Congressional watchdog committee; and

House amendments designed to allow the Administrator flexibility in carrying out the economic assistance program through either a new executive agency or a new Government corporation, or both.

The aid bill is an omnibus measure authorizing appropriations of \$6,205,000,000, of which \$5,800,000,000 would be for European recovery.

WAGE AND HOUR

(Concluded from page 163)

not less than 50 cents nor more than 70 cents an hour. An Industry Committee may recommend regional classifications and regional differentials in wage rates only where regional economic differences exist and their elimination would create substantial competitive inequalities. A further amendment would permit new employees to be paid a minimum of 50 cents an hour during the first 160 hours of employment, and students under 18 during vacation periods also could be paid 50 cents an hour.

Change in Existing Exemptions

Insofar as the existing canning industry exemptions from the overtime provisions, contained in Section 7(b)(3) and Section 7(c), are concerned, the bill appears to make one important change. In presenting his bill, Senator Ball observed that it "does not change the agricultural and agricultural processing exemptions, except to make it plain that they apply to all the employees employed in an establishment in which their employer is engaged in the exempt operations."

To accomplish this the bill provides that where the Section 7(c) exemption is applicable, it shall apply to "any of" the employees in the place of employment. If enacted, this provision probably would serve to make the coverage of the Section 7(c) exemption parallel with the coverage of the Section 7(b)(3) exemption.

Under existing regulations, Section 7(b)(3) exempts all employees in the industry, which is defined to embrace the processing of seasonal or perishable fresh fruits and vegetables. Thus, in a particular cannery, the Section 7(b)(3) exemption when utilized is applicable to all employees working in that cannery. However, under existing law, considerable controversy has arisen as to the application of the Section 7(c) exemption to certain classes of employees not directly employed on the canning line; e.g., watchmen, warehousemen, office workers, maintenance men, etc.

The exemption covering the fisheries industry contained in Section 13(a)(5) would be left unchanged by the Ball bill.

The "area of production" exemption in Section 13(a)(10) would be amended to accord the exemption to all employees in the exempt establishment.

The bill would clarify the general overtime provisions to avoid problems of overtime-on-overtime. This would be accomplished by defining "regular rate of pay" as normal, straight-time pay plus operating bonuses, but by excluding employer contributions and employee benefits under retirement, pension, medical, death-benefit, and profit-sharing plans, and annual bonuses.

In addition, any employee on a salary basis of not less than \$100 weekly would be exempted from the overtime provisions.

Under the Act, the Wage and Hour Administrator at present has no power to issue binding interpretations, and employers have no assurance that the Administrator's interpretations are correct ones. The bill would authorize the issuance by the Administrator of regulations "defining and particularizing the terms and provisions of this Act," and violations of these regulations are specifically prohibited. Thus, an employer who complies with the Act, as interpreted by the regulations, would be completely protected from employee suits, criminal prosecutions, and injunction suits.

In issuing interpretations, the Administrator would be required to "avoid competitive inequalities and take into account, among other relevant factors, the customs, practices, and collective-bargaining arrangements prevailing in the industries affected." Attorneys engaged in administering the statute would be responsible directly to the Administrator rather than to the Secretary of Labor, as at present.

Clarifying Provisions Proposed

Numerous other provisions designed to simplify and clarify the application of the wage and hour law are proposed. Establishments where fewer than five and less than 20 percent of the employees produce goods for interstate commerce would be exempted.

The employment of oppressive child labor would be specifically prohibited. This is an addition to the prohibition of the present Act, against the shipment of goods in interstate commerce which have been produced in plants employing oppressive child labor.

Finally, the Ball bill would amend the Walsh-Healey Public Contracts Act to provide a two-year statute of limitations for suits for penalties, and to conform the definition of oppressive child labor to the new definition in the wage and hour law.

PROCUREMENT

February USDA Procurement

Deliveries of food and agricultural commodities purchased by the U. S. Department of Agriculture totaled 2,482 million pounds in February, 1948.

Included in this total were 6,786,701 pounds of canned vegetables and 5,458,900 pounds of juice and juice powders for government agencies other than the Department of the Army, such as the Veterans Administration, National School Lunch Program, etc.; 468,128 pounds of canned meats for the Department of the Army for civilian relief feeding in occupied zones; 248,760 pounds of canned meats purchased for foreign governments and delivered at ship-side; 1,804,860 pounds of canned or dehydrated fish, 12,781,480 pounds of dry beans, and 1,920,000 pounds of dry peas under the U. S. Foreign Relief Program; 15,352,066 pounds of dry beans under the Greek-Turkish Aid Program, and 222 pounds of canned meats, 135 pounds of canned or dehydrated fish, and 21,012 pounds of dry beans sold to individuals and corporations in the United States.

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